

**NEW CONSTRUCTION**

New construction of manufactured homes is defined in Section 5825. This section supersedes the definition of new construction in Section 70 since Section 5825 specifically relates to manufactured homes. Section 5825 reads in part:

"(a) 'Newly constructed' and 'new construction' means:

"(1) Any substantial addition to a manufactured home since the last lien date; and

"(2) Any alteration of the manufactured home which constitutes a major rehabilitation thereof or which converts the property to a different use.

"(b) Any rehabilitation, renovation, or modernization which converts a manufactured home to the substantial equivalent of a new manufactured home is a major rehabilitation of such manufactured home. . . . "

Some counties treat the relocation of manufactured homes (i.e., removal and installation) as new construction subject to supplemental assessments, while other counties wait until the ensuing lien date to assess (or remove from assessment) the manufactured homes. If the original county does not issue a negative supplemental assessment when the manufactured home is removed, and the destination county does issue a supplemental assessment upon installation, a double assessment occurs.

The issue here is whether the relocation of manufactured homes constitutes new construction as defined in Section 5825. Our position is that relocations of manufactured homes subject to local property tax are not subject to supplemental assessments because they do not constitute new construction.

Some have argued that the relocation of a manufactured home falls under the provisions of Section 75.10(b) which reads that "'actual physical new construction' includes the removal of a structure from land." However, a manufactured home is not a structure. A structure is real property (see Sections 104 and 105). Manufactured homes are generally considered personal property subject to supplemental assessments by statutory provision (i.e., Section 75.5). They become real property only when they are either affixed to the land as provided in Property Tax Rule 122.5 or installed on an approved foundation as provided in Health and Safety Code Section 18551. In addition, Section 5801(b)(2) states that a manufactured home shall not be classified as real property for property taxation purposes.

Thus, we conclude that the relocation of a manufactured home without a change in ownership, whether in the same county or to another county, is not new construction and therefore not subject to supplemental assessment(s). Note that we are referring here to the manufactured home itself and not any accessories. The addition of accessories, such as awnings or

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skirtings, would be considered new construction subject to supplemental assessment(s).

The same procedure should be applied to manufactured homes that are brought into California from another state. We previously stated that such manufactured homes, if purchased new on or after July 1, 1980, would be subject to local property tax and supplemental assessments as of the date of entry (Question 6 of Letter To Assessors 83/128, dated December 6, 1983). We reasoned that the entry of a manufactured home from another state was similar to new construction in that both are newly taxable property. We have reconsidered this advice, and now conclude that a manufactured home brought into California from another state and installed in your county does not constitute new construction as defined in Section 5825. That is, a manufactured home brought into your county from another state should be treated the same as a manufactured home brought from another county within the state.

If you have questions or comments on this matter, please contact our Real Property Technical Services Unit at (916) 445-4982.

Sincerely,



Verne Walton, Chief  
Assessment Standards Division

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